

Agency for Health Care Policy and Research

(dollars in millions)

	1996 Actual	1997 Enacted	1998 Request	Request +/- Enacted
Budget Authority	\$65	\$96	\$87	-9
Program Level	125	143	149	+6
Outlays	81	95	88	-7
 FTE	 252	 252	 252	 0

Summary

The FY 1998 request for the Agency for Health Care Policy and Research (AHCPR) provides a program level of \$149 million.

AHCPR directly contributes to improving the management of this nation's health care enterprise. Results of its health services research and clinical practice guidelines are used every day by health care providers working to improve quality of care while managing the financial bottom line. Its data collection and analysis are important to health policy analysis and help guide the decisions made by those steering the future of this nation's health care industry.

AHCPR works in partnership with the private sector in determining which medical interventions work best and provide the most value for our health care dollar in the day-to-day practice of medicine. In addition, AHCPR research addresses the effectiveness and cost-effectiveness of the organization, financing, and delivery of health services.

FY 1998 Request

The budget request of \$149 million is composed of \$87 million in direct appropriations and \$62 million in inter-agency transfers. At this level, AHCPR will be able to provide the information, the expertise, and the tools required to continue to improve the health care system and improve the effectiveness and appropriateness of health care.

The Research on Health Care Systems Cost and Access program which is funded at \$47 million in FY 1998 develops the analyses and tools needed to improve the functioning of the health care system. This research identifies the most effective and efficient approaches to organize, deliver, finance, and reimburse health care services; determines how the structure of the delivery system, financial incentives, market forces, and better information affect the use, quality, and cost of health services; and facilitates the translation of research findings for the use of key participants in the health care

system, particularly providers, plans, purchasers, and policy makers. A major initiative to assist consumers in selecting high quality health plans and services will be continued. This project, the Consumers Assessments of Health Plans Study will include consortia participation by the Research Triangle Institute, the RAND Corporation and Harvard Medical School.

AHCPR's Health Insurance and Expenditure Surveys which totals \$36 million FY 1998, provide public and private sector decision makers with the ability to obtain timely national estimates of health care use and expenditures, private and public health insurance coverage, and the availability, costs, and scope of private health insurance benefits among the U.S. population. This activity also provides analysis of changes in behavior as a result of market forces or policy changes on health care use, expenditures, and insurance coverage; develops cost/savings estimates of proposed changes in policy; and identifies the impact of changes in policy for key subgroups of the population (i.e. who benefits and who pays more). Currently, these objectives are accomplished through the fielding of the Medical Expenditure Panel Surveys (MEPS). Analytic work on the data collection will begin this year and is expected to be completed by FY 2001. Additionally, the MEPS will change from a periodic annual survey, converting to an ongoing continuous survey.

The Research on Health Care Outcomes and Quality Program totals \$64 million in FY 1998, an increase of \$16 million over FY 1997. Through this program AHCPR determines what works best in medical care to increase the cost-effectiveness and appropriateness of clinical practice; supports the development of tools to measure and evaluate health outcomes, quality of care, and consumer satisfaction with health care system performance; and facilitates the translation of information into practical uses

through the development and dissemination of tools for clinical improvement, information technology, and strategies for provider and patient education.

AHCPR is currently in the process of soliciting priorities for the next phase of research. Topics already identified include Hormone Replacement Therapy, Alzheimer's Disease, common orthopedic conditions, (e.g. carpal tunnel syndrome) and clinical conditions that are common in children and adolescents.

A second part of AHCPR's initiative is to support studies which help assess the best strategies for bringing about change in clinical performance. A component of this latter area of emphasis will be the support of Evidence-based Practice Centers. The Centers will synthesize information and work with the end-users on how best to ensure the usefulness of quality improvement strategies.

AHCPR OVERVIEW

(dollars in millions)

	<u>1996</u> <u>Actual</u>	<u>1997</u> <u>Enacted</u>	<u>1998</u> <u>Request</u>	<u>Request</u> <u>+/- Enacted</u>
Research on Health Care	\$56	\$48	\$64	+\$16
Systems Cost and Access	52	48	47	-1
Health Insurance & Expenditure Survey ...	15	45	36	-9
Program Support	2	2	2	0
Subtotal, Program Level	125	143	149	+6
Less Transfers: PHS Intra-agency	<u>-60</u>	<u>-47</u>	<u>-62</u>	<u>-15</u>
Total, BA	65	96	87	-9
FTE	252	252	252	0